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Limited review report on the Statement of Unaudited Quarterly Financial Results and year to date results of Commercial Engineers and Body Builders Co Limited pursuant to the Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
Board of Directors of Commercial Engineers and Body Builders Co Limited

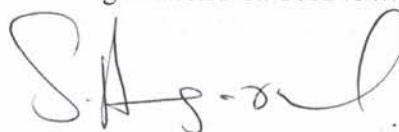
We have reviewed the accompanying statement of unaudited financial results (“the financial results”) of Commercial Engineers and Body Builders Co Limited (“the Company”) for the quarter ended 31 December 2018 and the year-to-date results for the period from 1 April 2018 to 31 December 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

These financial results are the responsibility of the Company’s Management and have been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying financial results prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For B S R & Co. LLP
Chartered Accountants
Firm registration No.: 101248W/W-100022



Shashank Agarwal
Partner
Membership No.: 095109

Place: Pithampur, Dhar, MP
Date: 13 February 2019

Statement of Unaudited Financial Results for the quarter and nine months ended 31 December 2018

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended	Preceding quarter ended	Corresponding quarter ended in the previous year	Nine months ended	Corresponding Nine months ended in previous year	Year ended
		31 December 2018	30 September 2018	31 December 2017	31 December 2018	31 December 2017	31 March 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations (refer note 2)	6,301.16	5,613.76	2,958.24	16,499.41	6,264.53	9,963.96
2	Other income	2.51	2.95	9.79	9.82	29.20	116.43
3	Total Income (1+2)	6,303.67	5,616.71	2,968.03	16,509.23	6,293.73	10,080.39
4	Expenses						
a)	Cost of materials consumed	5,227.87	4,878.35	2,377.45	13,974.82	4,772.42	7,970.47
b)	Change in inventories of finished goods and work-in-progress	(58.49)	(240.07)	(79.80)	(415.74)	(161.47)	(186.17)
c)	Excise duty	-	-	-	-	247.46	247.46
d)	Employee benefits expense	180.80	164.08	117.84	489.32	359.17	495.34
e)	Finance costs	665.52	684.14	666.40	2,087.11	1,894.33	2,777.96
f)	Depreciation and amortisation expense	252.39	260.88	247.16	768.96	761.59	1,035.23
g)	Other expenses	459.17	467.58	370.11	1,289.91	920.24	1,431.37
	Total expenses	6,727.26	6,214.96	3,699.16	18,194.38	8,793.74	13,771.66
5	Loss before tax (3-4)	(423.59)	(598.25)	(731.13)	(1,685.15)	(2,500.01)	(3,691.27)
6	Tax Expense						
	Current tax	-	-	-	-	-	-
	Deferred tax	-	-	-	-	-	-
	Total tax expense	-	-	-	-	-	-
7	Loss for the period (5-6)	(423.59)	(598.25)	(731.13)	(1,685.15)	(2,500.01)	(3,691.27)
8	Other Comprehensive Income/(Loss) (OCI)						
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Items that will not be reclassified to profit or loss	1.33	1.33	0.02	3.99	0.06	5.32
	Remeasurements of the defined benefit plans (net of taxes)	1.33	1.33	0.02	3.99	0.06	5.32
	Total other Comprehensive Income/(Loss) for the period	1.33	1.33	0.02	3.99	0.06	5.32
9	Total Comprehensive Income/(Loss) for the period (7+8)	(422.26)	(596.92)	(731.11)	(1,681.16)	(2,499.95)	(3,685.95)
10	Paid-up equity share capital (Face value Rs.10/- each)	5,494.30	5,494.30	5,494.30	5,494.30	5,494.30	5,494.30
11	Reserves excluding revaluation reserves						
12	Earnings/(Loss) per share (EPS) of Rs.10/- each (refer note 7) (EPS for the quarter and nine months period ended are not annualised) - Basic - Diluted	(0.77) (0.77)	(1.09) (1.09)	(1.33) (1.33)	(3.06) (3.06)	(4.55) (4.55)	(6.71) (6.71)
	See accompanying notes to the financial results						

Notes :

- 1 The above unaudited financial results for the quarter and nine months ended 31 December 2018, were reviewed by the Audit Committee at their meeting held on 13 February 2019 and approved by the Board of Directors at their meeting held on 13 February 2019. The statutory auditors of the Company have carried out a limited review of the Statement of Unaudited Financial Results for the quarter and nine months ended 31 December 2018 and an unmodified opinion has been issued. The same have been filed with BSE Ltd. and National Stock Exchange of India Ltd. and is also available on the Company's website at www.cebhco.com.
- 2 In accordance with the requirements of Ind AS, revenue for the period from 1 April 2018 to 31 December 2018 is net of Goods and Service Tax (GST). However, revenue for the period from 1 April 2017 to 30 June 2017 is inclusive of excise duty and that for the period from 1 July 2017 to 31 March 2018 is net of GST.
- 3 The Company had been incurring cash losses affecting its ability to service its borrowings, creditors, other liabilities and similar obligations. The Strategic Debt Restructuring ("SDR") plan of the Company in compliance with the guidelines issued by the Reserve Bank of India ("RBI") could not be completed within the timeframe prescribed by RBI and loan given by the lenders to the Company was classified Non-Performing Assets in the books of lenders. The lenders were in the process of identifying revival measures including debt restructuring and other structural changes.
During the quarter, pursuant to a Resolution Plan, the Company, the lenders, the erstwhile promoters and the Incoming Investor entered into an agreement on 1 December 2018. The Resolution Plan mainly includes partial waiver of the principal amount of loan and interest, issuance of 3,43,39,693 equity shares of Rs. 10 each to the Incoming Investor, transfer of pledged promoter shares to the incoming investor, grant / renewal of the credit facilities subject to certain terms and conditions and issuance of non-convertible redeemable preference shares.
The above plan received shareholders approval on 7 January 2019 and hence will be given effect to in the financial statements subsequent to the reporting date.
The management believes that the above Resolution Plan together with continued customer support and ownership change will result in revival of operations of the Company. Accordingly, the financial results have been prepared on going concern basis.
- 4 Subsequent to the period ended 31 December 2018, pursuant to above, the share capital of the Company has undergone a change which is explained below:
Authorized Share Capital :- Increased from Rs. 7,705.00 Lakhs to Rs. 18,005.00 Lakhs, the details are as under
- 57,050,000 equity share capital of Rs. 10 each amounting to Rs. 5,705.00 Lakhs has been increased to 92,050,000 equity share capital of Rs. 10 each amounting to Rs. 9,205.00 Lakhs.
- 2,000,000 preference share of Rs. 100 each amounting to Rs. 2,000.00 Lakhs has been increased to 8,800,000 preference share capital Rs. 100 each amounting to Rs. 8,800.00 Lakhs.
Paid up capital:- Increased from Rs. 67,94.30 Lakhs to Rs. 16,996.49 Lakhs, detailed as under:
- Equity share capital has increased from 54,942,964 equity shares of Rs 10 each amounting Rs. 5,494.30 Lakhs to 89,482,657 equity shares of Rs 10 each amounting to Rs. 8,948.27 Lakhs.
- Issue of 6,748,229 Non Convertible Cumulative Redeemable Preference Share Capital of Rs. 100 each amounting to Rs. 6,748.23 Lakhs.
- 20,00,000 Non Convertible Cumulative Redeemable Preference Share Capital of Rs. 65 each amounting to Rs. 1,300.00 Lakhs (there is no change in same).
- 5 Effective 1 April 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method which is applied to contracts that were not completed as of 1 April 2018. Accordingly, the comparatives have not been retrospectively adjusted. There is no material effect on adoption of Ind AS 115 on the unaudited financial results.
- 6 The Company's business activity falls within a single primary business segment viz. "Sheet metal fabrication and bodybuilding". The operating segment has been defined based on regular review by the Company's Chief Operating Decision Maker to assess the performance of the Company and to make decision about allocation of resources.
- 7 Earnings/(Loss) per share has been computed basis the equity shares of the Company outstanding as at 31 December 2018.
- 8 Previous period figures have been regrouped / reclassified wherever necessary to correspond with current period classification / disclosures.

For and on behalf of the Board of Directors

Place : Pithampur, Dhar, MP.

Date : 13 February 2019



Director